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RESIDENTIAL UTILITY CONSU

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Janice K. Brewer
Governor

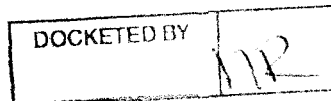
Arizona Corporation Commission
DOCKETED

Patrick J. Quinn
Director

September 11, 2013

SEP 11 2013

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, Arizona 85007



RE: REQUEST TO OPEN GENERIC DOCKET TO ADDRESS NET
OPERATING LOSSES - COMPLIANCE TO DOCKET NO. E-01933A-12-
0291

The Residential Utility Consumer Office (RUCO) is filing our support for the opening of a generic docket to address the appropriate accounting treatment of Net Operating Losses ("NOLs") in future rate cases before the Commission.

RUCO recognizes that NOL's could be problematic in future rate applications and request that the Commission develop an on-going policy to ensure that future decisions are consistent.

There have been several opinions when the Commission has disallowed the inclusion of NOL's and most recently, a settlement was reached where the applicant included an NOL in its application.

An NOL has the effect of increasing the applicants rate base, therefore, has a negative effect on ratepayers. While RUCO does not suggest that applicants discontinue taking full advantage of potential tax savings ideas due to NOL's, it should not come entirely at the expense of the ratepayer.

Respectfully submitted,


Patrick J. Quinn
Director

cc: All Parties to Docket

AZ CORP COMMISSION
DOCKET CONTROL

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